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Approved For Release 2004/03/17 : CIA-RDP85T00875R001100140016-4

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DIRECTORATE OF
INTELLIGENCE

Intelligence Memorandum

Chinese Roadbuilding in Laos: Military and Political Dimensions

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25 October 1972

CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
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INTELLIGENCE MEMORANDUM

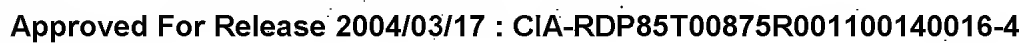
Chinese Roadbuilding in Laos:
Military and Political Dimensions

Since 1968, when Chinese roadbuilding in Laos got under way in earnest, each new dry season has brought a new round of construction and raised new questions about Chinese motivations. The Chinese, by an overwhelming margin, are now the greatest military power in northwestern Laos. Although the potential exists for Sino-Vietnamese rivalry in this area, there is as yet no evidence that Peking has used its muscle to acquire a significant measure of political control at the expense of the North Vietnamese. On the contrary, it seems reasonably clear that the general roadbuilding effort has, at least to some degree, alleviated the logistic difficulties of North Vietnamese and Pathet Lao troops; much if not all of any new construction will probably serve this same requirement.

This, however, does not explain the construction of a spur to the Mekong. This spur would seem to have little relation to the situation in Laos; it heads directly to the base areas of Communist insurgents in northern Thailand. Any reasonable projection of the likely growth of Thai insurgency in the north over the next few years indicates that the logistic importance of this "road to Thailand" will remain more apparent than real. It has, however, admirably served Peking's purposes by encouraging a jittery Bangkok to give fresh thought to the future direction of Thai foreign policy.

Note: This memorandum was prepared by the Office of Current Intelligence, the Office of Strategic Research, and the Office of Economic Research. It was coordinated within the Central Intelligence Agency.

A new dry-season construction period is beginning in the northwest, and the pace and direction of the next phase of Chinese construction activity should become clear in the next few weeks. In any event, Bangkok and Vientiane, the parties most directly affected by any new construction, seem less eager to force the issue of Chinese road-building to a head because of current prospects for a rapprochement with Peking. The short-term outlook, therefore, is for the continuation of a substantial measure of Chinese presence in the northwest.



Road Construction, Past and Present

Chinese roadbuilding in northern Laos began in late 1962 with the construction of a road from Meng-la in Yunnan Province, China, to Phong Saly, a provincial center in extreme northern Laos. Completed in 1963, this road has had only limited use and very little maintenance. After a hiatus of five years, the Chinese resumed building roads in September 1968. Their construction crews first pushed a road from the Lao village of Batene at the border of Yunnan Province to Muong Sai, a Pathet Lao administrative center about 60 miles to the south. A two-lane road--designated Route 45--was built northeastward from Muong Sai to Muong La, where construction was halted at the Nam Ma river. In addition, the Chinese repaired Route 321 to Muong Sing in extreme northwestern Laos.

During 1969, the Chinese resumed work on the Nam Ma bridge on Route 45, but in addition began to push off in a new and more sensitive direction--southward from Muong Sai, following the trace of Route 46, an old French logging road that meandered down the Nam Beng Valley to the Mekong. By January 1970, a single-lane road had reached Muong Houn, 45 miles south of Muong Sai. The Chinese pursued a relatively modest construction program during the 1970-1971 dry season. Their only significant effort was to extend Route 45 from Muong La to the Nam Ou at Muong Khoua opposite the terminus of the North Vietnamese--built and maintained Route 19, which leads to Dien Bien Phu in North Vietnam. As of September 1972, the Nam Ou was still unbridged; a small ferry is still in use. There is no apparent reason for the lack of a bridge.

In early 1971, the Chinese began to connect by road several towns just below the Sino-Laotian border. In May they built a spur road from Route 412 west to Nam Tha, an important Pathet Lao administrative center. They then struck north to the Nam Tha, where construction was begun on a long bridge. The Chinese have also begun working on a segment from Muong Sing southeast toward Nam Tha. Only 13 miles now separate the two segments; although the terrain is rugged, the builders could quickly connect them.

Between September 1971 and June 1972, Route 45 was widened and given an all-weather surface. Equally significant activity was undertaken to the southwest. After more than a year of inactivity, the Chinese builders resumed work on Route 46 south from Muong Houn and, by the end of the dry season, had completed a motorable, but rough, road to the village of Pak Beng on the Mekong River. During the past few months, the crews have been steadily improving this road to make it comparable to the road from Batene to Muong Sai. [REDACTED] the Chinese had made no move, even of a preparatory nature, to go beyond the Mekong and Pak Beng.

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While the construction troops labored to complete Route 46 to the Mekong, Chinese survey crews once again struck out in a new direction. In January, surveyors, accompanied by logistic and infantry units, began moving from Muong Sai and Muong Khoua into the Nam Bac and Nam Ou valleys. Some units penetrated as far south as the village of Muong Sung, only 25 miles from the confluence of the Nam Ou and the Mekong. The surveys apparently were completed by late February and the Chinese units withdrew to the west. Some of this activity was probably preliminary work for future road construction between Muong Sai and Nam Bac, the site of an important government base until its capture by the Communists in 1968. The presence of survey teams east of Nam Bac town and along the Nam Ou suggests that road construction may also be in the works from Nam Bac to the Nam Ou and possibly along the river itself toward Luang Prabang, the royal capital. Such a project, if actually undertaken, would require at least one dry season to complete. A logical and complementary project would be the construction of a road from the Route 19 - Route 45 junction to Nam Bac and farther south. Such a road would free the North Vietnamese from total reliance on the Nam Ou in supplying their units farther south in Luang Prabang Province.

The Chinese Military Force In Laos

The continuation of Chinese roadbuilding during the past year has brought a corresponding expansion of Chinese troop strength in Laos. Some

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35,000 to 36,000 troops were estimated to be in northwest Laos at the height of the roadbuilding season in early April 1972, compared with 16,000 to 20,000 men the previous September. [REDACTED]

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Currently, the Chinese force is estimated at 28,000 to 30,000 men. [REDACTED]

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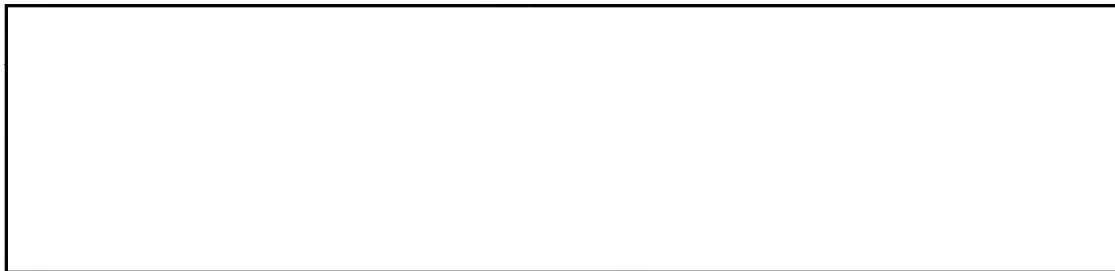
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units. North Vietnamese and Pathet Lao troops in the past have always secured new areas before the arrival of Chinese survey teams. At least one North Vietnamese regiment and several experienced Pathet Lao battalions were already in the lower Nam Ou Valley when the Chinese arrived. Nevertheless, the Chinese apparently believed that the introduction of survey teams into the valley substantially increased the possibility of clashes with government forces and chose to provide their own security.

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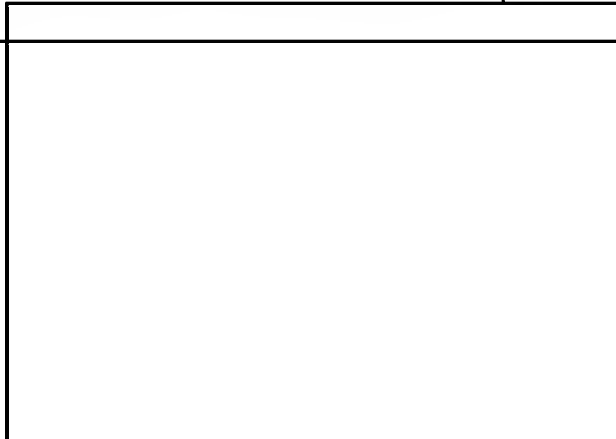
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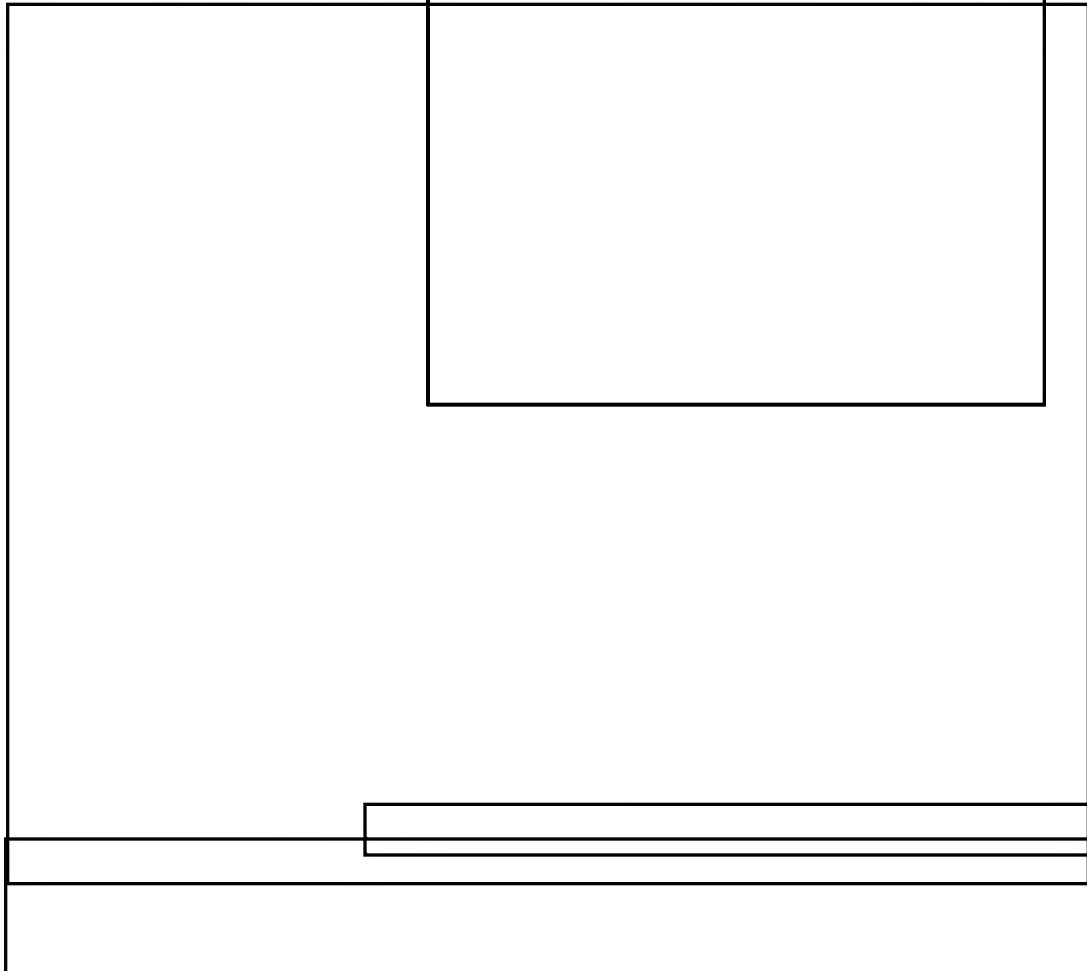
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The Chinese have established an extensive air defense system to protect their construction projects and personnel.



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The Political Triangle in Northern Laos

Chinese roadbuilding potentially increases Chinese influence in northern Laos, but there is no evidence that the Chinese are attempting to exercise this option and no reason to believe that



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Hanoi views their presence with displeasure. On the contrary, the impressive numbers of Chinese troops in northwest Laos have had surprisingly little impact on political relations in the region. The Lao Communists and their North Vietnamese allies continue to govern; by all accounts, the area is administered in essentially the same manner as other parts of the country that have been under Communist control for some time. For example, recent defectors have detailed the administrative system in the Communists' Oudomsai Province, the western part of the government's Luang Prabang Province. Oudomsai is administered by a Lao province chief, who reports to the Communist headquarters at Sam Neua. His subordinates are in charge of district and subdistricts or villages.

North Vietnamese advisers assist the Lao civil administration at the provincial and district levels, and North Vietnamese Army troops accompany most Pathet Lao units. Accounts vary, but most Lao Communist officials and officers appear, generally at least, to defer to the wishes of their North Vietnamese counterparts. Several small North Vietnamese units also operate in the northwest in conjunction with Lao Communist troops.

In contrast, the Chinese seem to play a very modest political role. The Chinese opened a "consulate" in Phong Saly town in the early 1960s, when it was still under at least nominal Lao Government control and before their first roadbuilder crossed the border. After Phong Saly went completely under control of the Pathet Lao, the "consulate's" principal work apparently was to maintain contacts with the military commander of Phong Saly Province, "patriotic neutralist" General Kammouane Bouphe. Some reports suggest that a few Chinese advisers were working on the provincial administrative staff; this has never been confirmed, and more concrete information from other areas casts doubt on a Chinese advisory role elsewhere in the area. For example, defectors from Oudomsai Province agree that the Chinese provide no advisers to the Lao civil administration, levy no taxes on the villagers along the roads, and do not require the locals to perform portage or other duties.

[REDACTED]

The Chinese seldom seem to venture far from their roads. Contact with the locals is limited to activities designed to cultivate good relations, such as the provision of medical attention to the Lao by Chinese aid stations. Chinese construction crews sometimes use their equipment to help local farmers clear fields. In fact, relations between the Lao and the Chinese as well as between North Vietnamese and the Chinese appear remarkably equable considering the numerous opportunities for friction. The Lao population seems to believe that the presence of the Chinese has improved the quality of their lives. Lao Communist propaganda teams push the line that the Chinese presence should not be considered a threat, that the Chinese have no intention of annexing any territory or of staying permanently. The propaganda line instead stresses that the road construction projects are part of agreements negotiated between Vientiane and Peking in the early 1960s designed to assist the Lao people in preparing supply and transportation routes. These assertions seem plausible to Lao audiences; it is unlikely that the Chinese would make no attempt to organize the area politically if Peking were intent on remaining permanently.

Although North Vietnamese troops are in close proximity to Chinese military units, there have been few reports of friction from defectors. [REDACTED]

25X1 [REDACTED] unit welcomed the presence of the Chinese anti-aircraft unit because its protection enabled the Vietnamese to build base camps in open areas rather than in the uncomfortable jungle. North Vietnamese commanders naturally seek to ensure that no friction occurs between the two forces. Troops are told to greet the Chinese in the Vietnamese language at casual meetings on the roads, but to have no other contact with them.

There is, of course, no guarantee that the kind of relationship prevailing between the Chinese and North Vietnamese will continue indefinitely. But neither does the fact that the Chinese are building roads in northern Laos, by itself, support a conclusion that a fundamental change is in the offing.

[REDACTED]

For the time being, it is difficult to see what the Chinese might hope to gain in challenging a North Vietnamese claim that is both long-standing and solidly anchored. The Vietnamese Communists have carefully nurtured the Lao Communist movement for over 25 years, selecting many of its leaders and supervising its organization. If anything, the bonds thus established have been strengthened as the war has intensified over the years. Although Sino-Vietnamese competition for influence in a post-war Indochina may eventually spill over into northern Laos, the immediate motivations for Chinese road-building there almost certainly lie elsewhere.

The Road and the War in the Northwest

Far removed from the infiltration corridor that serves Communist forces in South Vietnam and from populated areas of vital political and military importance to Laos itself, the northwest for years has been one of the quietest areas of the country. Estimates of Communist strength in the northwest are tenuous, but there are probably about 16 Pathet Lao or mixed Pathet Lao/North Vietnamese battalions--a total of between 4,000 and 5,000 men in the whole of this rugged region. Although the Pathet Lao appear to do almost all of what fighting is done, a few small North Vietnamese battalions may also operate in isolated areas of Phong Saly, Houa Khong, Luang Prabang, and possibly Sayaboury provinces.

The instances of major combat have been few. Some of the Communist military effort in the past few years has been directed at removing government forces from locations directly in the path of projected road construction or in adjacent areas. Aside from such clearing operations, some small Communist units sporadically operate against government irregular units patrolling the outer reaches of Houa Khong Province. There are also periodic and generally ineffective offensives against government positions in extreme western Sayaboury Province.

The importance of the Chinese road network to such a low level of operations is obviously limited. By most accounts traffic along the system remains

light and largely supports the Chinese construction effort itself. Still, the road has had an impact on the fighting in the northwest, and it could have more in the future. The initial phases of the Chinese construction effort, in Yunnan Province as well as in Laos, began to improve the Communist logistic situation in northwestern Laos by as early as 1967. The subsequent expansion of the network has been one factor in the consolidation of Communist military control over the northwest in more recent years. Some non-Chinese traffic does traverse the network, and [redacted] the supplies for at least some North Vietnamese and Pathet Lao units are now funneled along the Chinese-built roads. This direct supply, of course, would have been impossible prior to construction of the road network. Indeed, available evidence indicates that the North Vietnamese previously had to have goods--and sometimes even men--moved by circuitous routes that led through China. Thus, the Chinese roads ironically make North Vietnamese control over the area ultimately less, rather than more, dependent on Peking. If the recently surveyed routes from Muong Sai to Nam Bac and along the Nam Ou are constructed, the system will finally connect to a relatively significant area of Laos and substantially increase the Communist capability to support their forces confronting Lao Government defenses north of Luang Prabang. If movement toward a Laotian settlement were to reach a serious stage, control of Luang Prabang or even military dominance in the environs of the royal capital would take on increasing significance.

The Road and Thai Insurgency

No single facet of the Chinese construction effort has generated as much speculation and concern as the construction of Route 46 between Muong Sai and its present terminus at Pak Beng on the Mekong--a spur that seems to run away from any political and military relevance to Laos itself but heads directly toward the principal base areas of Communist insurgency in northern Thailand. Indeed, in the minds of some observers, "the Chinese road to Thailand" has become synonymous with all the Chinese roads in Laos.

The construction of this leg undeniably has enhanced the Communists' ability to resupply the Thai insurgents in the north and to respond more quickly to unforeseen needs. Any reasonable projection of the northern insurgency's growth during the next few years, however, makes it reasonably clear that the road is not going to fuel a quantum jump in insurgent activity. In the past, supplies for the Thai insurgents have moved down the Nam Beng Valley to the Mekong by pack animal and porter--a flow that presumably has been supplanted to some degree by the road. From the Mekong supplies are dispersed along a trail system leading to various insurgent depots along the border. Some five years ago, the quantities of arms moving in this way amounted to little more than a trickle--an estimated eight tons in 1968. Today, estimates based on insurgent expenditures of ammunition and a now nearly completed change-over to Communist-manufactured weaponry suggest that the insurgents are consuming about 100 tons of Communist-supplied material a year. This is still a relatively small amount; it could all be moved to the Mekong in one 25-truck convoy. As matters stand now, the insurgents can easily move far more than this amount over the existing and still under-used trail system between the Mekong and the border.

Whatever its immediate or mid-term logistic impact, the road has served Peking's interests by encouraging a jittery Bangkok to give fresh thought to the future direction of Thai foreign policy. The Thai Government's apprehension seems to have risen in direct proportion to the progress of the road's construction to the Mekong. To Bangkok, the road represents far more than a logistic lifeline for the insurgents: it raises the general question of Chinese political and military intentions toward Southeast Asia in general and Thailand in particular. Fear of a Chinese invasion is embedded in the Thai mentality. While there is little in China's past behavior and nothing in Peking's current frame of mind to suggest that direct Chinese military aggression is likely, the presence of Chinese troops only 20 miles from the Thai border nevertheless has a distinctly unsettling effect in Bangkok.

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[redacted]

Many officials in Bangkok are enamored of the idea that without Chinese and North Vietnamese assistance Thai insurgency would quickly wither on the vine. As a result, there has been an inevitable tendency to seize on the road as tangible evidence that Thai insurgency is totally alien in nature, is controlled by external powers, and should be dealt with on that basis. As a result, the Thai leadership may now be betting that a measure of rapprochement with Peking is the real answer for the problem of Thai insurgency as well as for the broader question of Thailand's security vis-a-vis China. Certainly this kind of thinking helped prompt the sending of a Thai emissary to Peking last August to begin an exploratory dialogue with the Chinese. If Peking has indeed seen the road toward Thailand primarily in terms of psychological warfare against the Thai Government, the gambit appears to be working.

The Chinese have maintained most of their construction force in Laos throughout the rainy season just ending, [redacted]

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[redacted] This immediately raises the question of whether Route 46 will be extended beyond the Mekong the remaining 20 miles to the Thai border. Some defectors [redacted]

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25X1 [redacted] have in the past claimed that the road would be extended and have put forward at least two differing alignments. To date, however, the Chinese have not begun any of the basic and necessary steps to prepare for new construction across the river--a fact borne out by photography [redacted]

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[redacted] There have, moreover, been no clear signs that the Pathet Lao are attempting to secure the area opposite Pak Beng or to prepare the population there for the arrival of Chinese survey crews.

Several other considerations argue that Pak Beng will be the literal end of the road for this particular Chinese project. The Mekong is a logical terminus for a road serving Thai insurgency in that one of the more important trail systems serving the Communist base areas in northern Thailand begins at the west bank of the Mekong not far from Pak Beng. To date the Communists have had little if any difficulty in moving their supplies through this system to the border. As far as Communist logistic planners are concerned, the Mekong probably represents a more meaningful border than does a line 20 miles to the south.

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Political Dimensions

Whatever this dry season brings in the way of Chinese roadwork, a new and initially promising diplomatic atmosphere appears to be making Bangkok and Vientiane less and less eager to force the issue of Chinese road construction to a head. Although the Thai leadership retains its healthy and traditional skepticism regarding Chinese intentions,

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they were generally pleased with the results of Prasit Kanchanawat's exploratory discussions in Peking last August and are determined, as are the Chinese, to continue and expand the dialogue.

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This same general process is clearly at work in Vientiane. In June, Peking suddenly responded favorably to the Lao Government's long-standing quest for an exchange of ambassadors. During recent months diplomats in Vientiane have been actively courting Prime Minister Souvanna, going so far as to express their support during the period he was under attack by rightist elements in the National Assembly.

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In sum, a satisfactory resolution of the problems posed by Chinese road construction in Laos can probably only come through the gradual process of settlement and accommodation. This process is a two-way street, and the Chinese could decide to take unilateral actions to reduce, suspend, or even bring to an end its roadbuilding effort in Laos. It is difficult, for example, to see how new Chinese construction across the Mekong would serve Peking's present interests. Peking can be expected to weigh carefully the impact of such a further application of pressure and intimidation on its improving relations with the United States and a number of non-Communist Southeast Asian states.

The general direction of China's diplomatic posture and, specifically, the emerging dialogue with Bangkok suggest that Peking may view additional prodding of the Thais as neither necessary nor desirable at this point. On the other hand, Peking holds most of the high cards and probably does not consider itself under great pressure to run down or dismantle its construction effort hastily. The Thai and Lao governments simply do not have the military wherewithal to scare the Chinese out of northern Laos. On the contrary, Peking probably calculates that the prospect of rapprochement with China now dangling before the eyes of Vientiane and Bangkok substantially reduces the risk of any direct challenge from those quarters.

The short-term outlook, therefore, is not for a sudden disappearance of the Chinese presence in northwestern Laos. Even if the Chinese do not opt for new construction projects, they may choose to retain a substantial force in Laos to protect and maintain the roads that have already been constructed. For the time being, at least, they probably view their road network and presence in the northwest as ensuring that the area of Laos adjacent to the Chinese frontier does not fall under hostile non-Communist control. The severe monsoon climate and rugged

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terrain are such that a substantial maintenance effort is going to be required to keep the roads in motorable condition from one year to the next. The North Vietnamese could assume this responsibility, but for the present they have higher priorities elsewhere in Indochina. The Pathet Lao probably do not have the capability of organizing a sustained maintenance effort.

If an Indochina settlement is reached and China's dialogue with Bangkok proceeds satisfactorily, Peking's need to maintain such a large-scale military establishment in Laos could become less compelling. In such circumstances, of course, the nature of the political equation in northwest Laos changes considerably. For one thing, the possibility for open friction between Peking and Hanoi already exists; the chances rise considerably in a post-war environment. The ingredients for such friction are probably nowhere more apparent than in northwestern Laos. A road network that links this remote area with both China and North Vietnam obviously makes competition easier, although it does not guarantee that competition will develop. Neither Bangkok nor Vientiane would be unhappy should friction of this nature develop.